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Nation of Renters - LewRockwell

5-6 minutes

There is a storm on the horizon. Rootless corporations, major financial institutions, and the federal government are poised to fundamentally change the way Americans live by separating them from property ownership. The peculiar conjunctures of our time are paving a winding road to villeinage, with each turn bringing to clearer view the future of rent-serfdom awaiting most Americans.

As the nation locked down last year, rent protections that continue today sheltered tenants from eviction. Independent of intentionality, these measures kneecapped mom-and-pop landlords—individuals who are more likely to own single units, homes, and duplexes. “The long-term concern here, over the course of a few years, is that a growing share of mom-and-pop landlords will be forced to sell and rents will go up,” Peter Hepburn, an assistant professor of sociology at Rutgers University who researches housing inequality, told *Bloomberg News*. “There’s a lot of private equity interest and a real possibility of growing consolidation.”

Many smaller landlords report vulture-like solicitations to sell from major real estate firms waiting to swoop down on the carcass. With more than 6 million renter households behind on rent, they feel as if the system is stacked against them, and for good reason.

Accompanying eviction moratoriums last year was the CARES Act. Americans took home stimulus checks, but wealthy hedge fund investors and real estate firms silently reaped billions in tax breaks while mom-and-pop landlords received comparatively little assistance. Among the financial giants that have taken a renewed interest in real estate is BlackRock, the world’s largest money manager.

BlackRock is powerfully connected both in America and abroad. It recently became the first global asset manager licensed to start a wholly-owned onshore mutual fund business in China. Domestically, Chief Executive Larry Fink has raised a shadow government of former Treasury Department officials to insulate BlackRock from regulators.

The firm’s influence is felt everywhere; it has even recently dipped into progressive politics. By using its voting power to compel Walmart, Dick’s Sporting Goods, and Kroger to stop selling or severely restrict the sale of firearms and ammunition, BlackRock has practically enacted a *de facto* form of gun control. In April, it announced a racial audit to determine how it may have “contributed to racial inequities in the financial system.”

According to the Urban Institute, homeownership is already expected to decline over the next two decades, fueled by higher prices pushing more people toward renting. Now ordinary Americans are increasingly competing for a roof over their heads against the permanent capital of companies such as BlackRock and J.P. Morgan Asset Management, which are buying single-family homes from real estate developers at double what the middle class can afford. Indeed, the country’s largest homebuilders are

betting on America becoming a nation of renters, pouring billions into the built-to-rent sector with the backing of banks and private investment firms.

Entire neighborhoods are gobbled up as the stage is set for what John Burns Real Estate Consulting is calling “another speculative investor-driven home price bubble.” The firm estimates one in every five houses sold in many of the nation’s top markets is bought by someone who will never move in—in other words, as a speculative investment, often made by financial firms. Similarly, data from the Redfin real estate brokerage firm show investors bought about one of every seven homes in the first quarter of 2021. There’s even an emergent Silicon-Valley-to-Wall-Street pipeline in which private equity firms work with tech companies to buy homes before the public ever lays eyes on them.

Neoliberal media outlets like *Vox* have attempted to dispel concerns over Wall Street’s role in financializing homeownership, which is the foundation of the middle class. The solution, they say, is for Americans to get over their bigotry and love of open spaces, and marry mass immigration with mass real estate development, turning American residential areas into stack-and-pack metropolises, home to one billion atomized consumers. Of course, William E. Ford, chief executive of General Atlantic, *Vox*’s major stakeholder, also happens to be on the board of Blackrock.

Meanwhile, some hail the rise of new forms of “ownership” in fractional ownership models, wherein people would own stock in entities that hold commercial and residential properties in their area. But this is nominal ownership; neighborhood real-estate investment trusts given in exchange for the financialization and further managerialization of the body politic.

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